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Equities of labor values

[Sausalito, California]

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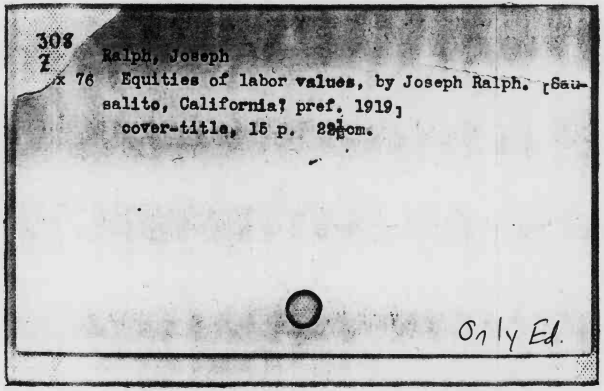

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Equities of Labor Values

By

Joseph Ralph

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Aspects under which the subject is treated:

The Functioning of Labor.

Wealth, Capital and Money.

Industry and Commerce.

Relative Labor Values.

Social Qualities.

Nationalization of Labor Values.

A New Unionism.

Comment invited

Preface

I asked myself the reasons for the pronounced labor unrest throughout the country, and when and where it may be expected to end; and when I considered many of the opinions extended I felt they were both platitudinous and ambiguous. Whether or not students of political economy will commend my logic and accept my conclusions I do not know; I believe, however, the latter are worthy of serious consideration.

The thoughtful reader will discern that I have disposed of in a paragraph, and sometimes in a brief sentence, a phase of the subject that could readily be elaborated into a volume; my general object, however, has been that of simply "sketching in outline," and courting the reader's own serious reflection.

JOSEPH RALPH.

Sausalito, California,
October 14, 1919.

13 April, 1920 - CRW

Equities of Labor Values

POSTULATE:

Excepting those whose mental, moral, or physical defects handicap them, no one can rightfully receive from society any more privileges than a proportion based upon the value of services personally rendered.

THE FUNCTIONING OF LABOR

Labor is the only element creative to the production of anything. This applies from the first incipient idea to the perfected application of it. And everyone who contributes any service whatever to social requirements is a laborer, no matter whether his class name be banker, baker, scientist or hod-carrier. The value and nature of service may vary greatly but the term "labor" applies to the efforts of one class as much as to any other. Any form of mental or physical exertion manifested in the form of service is labor.

Labor only functions at it's best efficiency when intellect and muscle are properly co-ordinated, and most of the clashing between labor and so-called capital is actually between two forms of labor, viz.: between the executive and the non-executive classes. In labor disputes, therefore, we witness labor quarreling with itself. These quarrels arise from disagreements as to the measure of service which respective classes shall contribute to the general social life, and the degree of privileges to be received in return. In other words: these quarrels nearly all arise from a disagreement in the division of profits from what labor has created. No matter whether a class uses the term "wages," or such an expression as "profits," the only difference is a matter of terminology.

Labor is a compound of the two elements *ideas* and *service;* and no matter whether it is the building of a ship, the baking of a loaf of bread, the banking of money (which is book-keeping pure and simple), the building of a railroad, or anything else contributing to our social needs, they are all varied manifestations of these two elements functioning as labor.

Labor is the only creative process pertaining to our social requirements: the sole producer of those utilities and requisites known as "wealth." And in the whole gamut of wealth classification we see nothing but the product of labor. It is all a result of creative ideas, (mental labor), exemplified in service (application). No matter how much we may seek to differentiate, classify, divide, or otherwise apportion general grades, qualities and values of social service, the term "labor" applies to them all, and labor is the Alpha and the Omega of the creation of all wealth.

WEALTH, CAPITAL AND MONEY

Wealth consists of things of general social utility and requirements, and range in diversity from a housewife's saucepan to a fully equipped trans-continental railroad system, or a handful of flour to "the cattle upon a thousand hills." It is something which has been created by human effort.

A community is "poor" when, after applying all of it's labor efforts, it only succeeds in supplying the passing requirement; but when a surplus of requirements over and above the passing needs is attained, that surplus is "wealth." Similarly with a utility. A utility is something that labor has created in order to serve a social requirement, and if that utility continues to preserve it's value it is also "wealth." Railroads, ships, lighting plants, water systems, factories, etc., etc., constitute wealth, the value of which is maintained just so long, but no longer, than such things can be beneficially used by the general social organism.

A community is wealthy when it has a reserve of commodities and utilities over and above the passing requirement.

"Wealth" is a term relating solely to economic assets which have been created by labor. There are no exceptions. Of course there are natural resources which can be developed into wealth, such as the fertility of land and the latent power of waterfalls, for example; but all such things have no wealth rating whatever until labor has developed and utilized the respective potentials.

No matter from what angle we may view a commodity or a utility we see nothing but what the two elements, ideas and service, functioning as labor, have created.

As regards "capital," it is merely a "term," and denotes the interest, or share, which an individual, company or community, may have in existing wealth. And as to "money," it is simply a book-keeping symbol, wherein a specified weight of a rare metal, usually gold, has become legally endowed with a specified wealth representation.

INDUSTRY AND COMMERCE

Every form of industry and commerce exemplifies the application of labor towards a social requirement. If a thing is not wanted by society it's manufacture or creation will soon cease; on the other hand: the greater the requirement for anything the more accelerated becomes the production. No matter whether it is the building of ships, the mining of coal, the baking of bread, the making of shoes, or any other such social requirement, the same principles apply.

Under normal conditions society is constantly engaged in producing for itself the things required for its comforts and necessities. Every phase of industry and commerce reflect these efforts, and in all of which we see

nothing but the creative results of labor. Labor, and labor only, do these things, and "capital" and "money" are purely terms denoting debits and credits in the accountancy details connected with the distribution of wealth.

As every class of society supposedly contributes its quota of service to society's requirements it will be seen that society is simply working for itself; and here we come up against the cause for most of the unrest among the various classes, viz.: *a disagreement as to the acknowledged relative value of the labor contributed by the respective classes.* This is because the relative shares (wages and profits) in the wealth created by labor depends upon the standards which the various classes have arbitrarily fixed, irrespective of relative economic values.

It will readily be appreciated that if one class of labor receives more than its just relative social value it will receive a larger share (capital) in what labor creates (wealth). And there can be no surplus in an equity. If any one person or class receives more than a just share some other person or class will suffer an injustice in direct ratio.

It is in the "blindly striking out" in the form of strikes that we see the various classes of labor seeking to obtain what they each consider a more equitable distribution of what labor, as a whole, has created. And if it be asked: What the general trend of all this labor unrest means, where it is going to lead, and when it is going to cease, the only logical answer is: *Labor unrest will never cease in any enlightened social life until the relative labor values of the various classes have been equitably determined.*

RELATIVE LABOR VALUES

Under existing conditions, if a society is menaced by another and predatory society, a certain class of social units called "soldiers" are ordered to the frontiers with the understanding that they are to defend the commonwealth with their lives if necessary. These "soldiers" in the United States have a rated service value, including food and clothing, of about two dollars per day. These soldiers require many forms of munitions and equipment, and which are manufactured back in the safety zones by other units of society whose service value is rated at from $5.00 to $10.00 per day. In this we have an illustration of the anomalies of the existing conditions of relative labor values. (Soldiering is labor just as aptly as is the building of a house or the making of a gun.) Again: a certain class of purely intellectual labor, the development of which has entailed severe and prolonged training, is employed in our universities to educate the rising generation, to whom labor values of from $3.00 to $6.00 per day have been bestowed by some haphazard determination, whereas the houses in which this highly trained type of intellectual labor live are built by classes known as "carpenters," "bricklayers," "plumbers," and "hod-carriers," etc., who are credited with labor values ranging as high as $13.00 per day. This is positively grotesque.

Then if we will turn from classes to relative social conditions, note what is little short of a nauseating prodigality of wealth at one end of the social scale, and then the awful poverty and suffering at the other, we must conclude that the only type of society which would tolerate such anomalies without a bitter sense of injustice, and manifesting extreme unrest, would be one which ought not to survive. For, mind you, there is a direct line of connection between every instance of undeserved poverty and every instance of misproportioned wealth.

The principles of labor unionism were conceived to remedy these glaring anamolies of labor values, but their success has been a very qualified one, for their conceptions of practice is not in alignment with a logical perspective towards society as a whole. Labor unionism is largely a matter of class struggle, in which each individual class seeks to secure the highest possible labor value irrespective of the relative economic labor values of the various classes to each other. This policy is short sighted, mischievous, and socially disruptive in effects. The truly equitable function of labor unionism must consist in aligning the respective class labor values, after which the individual share in the product of labor will become a matter of entirely secondary concern.

Under existing conditions society is being continually disrupted by the fighting of classes, in which each respective class seeks to advance it's individual interest irrespective of the equitable relationship with all other classes.

We cannot go into a butcher's shop and take a piece of meat at a price which we ourselves put upon it, nor enter into the possession and enjoyment of another person's house at a valuation which we decide for ourselves; yet, reduced to analysis, this is the principle on which the labor strike is based. For when a class of labor meets in conclave, decides what measure of service it shall contribute to the social requirements, and the labor values which shall be extended therefor, it is the setting of prices and conditions in relation to one particular class irrespective of the rights and the equities of other classes. Furthermore: such actions are not only equitably unsound, but are ethically unjust. The only equitably sound and ethically just settlement of the labor values of a class is the relative economic value that the services of respective classes have to each other. It is not for the ship-builder, the coal miner, the bread baker, or the candlestick maker to determine, for himself, what his services are worth, but for all of the classes, together, as society, to determine what the relative values of each to the whole shall be rated at.

Now the whole of society embraces every class and every individual in the social economy; therefore this principle of relative labor values will affect the so-called "capitalist" as much as the most lowly of non-executive labor. Social responsibilities and privileges are fundamental elements for universal application and are not subject to erratic acceptances and refusals; and as all wealth is the product of labor, and the distribution of wealth

must be in direct relative ratio to the labor values expended in creating it in order to be equitably sound, then it will be seen that the adjustment of labor values will affect the so-called "capitalist" as well as the humble hod-carrier. Therefore the banker, the railroad director, the shipping line executive, the stock-broker, and all classes of executive labor, come within the scope of respective labor value control quite as fully as the more lowly types. For it must be understood that no matter whether we use such terms as "wages," "salaries," or "profits," we are simply using different terms for one and the same element, viz., the share which respective individuals have in the product of labor. This share, to be equitably sound and ethically just, *must be in direct ratio to the labor value which has been contributed.*

Hitherto labor unions have been arbitrary in their class demands as to wages, but this arbitrariness has been comparatively modest when compared with the deportment of "unionized executive labor"—the "capitalist"; for whereas the determination of the lower class labor values has always been conducted with some approach to "negotiation," the capitalist end of the labor scale has decided its questions of labor values and shares in the product of labor as a purely ex parte matter. As a matter of fact, however, no one class has a right to determine these questions for itself any more than another. If every class of society labors for the requirements of society as a general whole, then it is for society as a whole to determine the relative labor values of the various classes of which it consists.

SOCIAL QUALITIES

At the present stage of physical, mental, moral and social evolution, man is neither born equal or attains equality in this life. Furthermore: the grades of inequalities are almost as numerous as the number of individuals existing; each individual, in fact, is a quality to himself. And in formulating plans for the securing of social justice to the individual units and classes of society we must take things as they are now, at the present time, and not as they may be, and as we believe they will be at some future time. There is, however, an equality which is attainable in the here and the now, and which we have a right to demand, viz., *the equality of the application of equitable social service values, and in the product thereof—wealth.*

The application of this fundamental social principle implies, inter alia, the following considerations:

(1) Social unfits and labor inefficients must be cared for, and cared for in such a way that they are treated as human beings; for society is responsible in every instance and for every degree of unfitness and inefficiency, and it is in no way absolved from this responsibilty by any immediately contributing individual. Granted that man is father of the child, society is parent of the father in the first instance.

(2) There must be a minimum standard of labor values so that labor units of a low relative value can live in comfort, irrespective of the actual value of his labor. It being understood, of course, that each shall contribute of his best. No one can do more than this.

(3) After caring for the unfits and the inefficient the *whole* of the product of labor (wealth) must be divided (in the form of privileges and comforts) between the contributing labor units *in direct ratio to the relative value of the services rendered.*

(4) The enjoyment of the comforts and privileges from the product of labor (wealth) is the rightful prerogative of the individual contributing thereto, but the interest of the individual ceases with death, and his authority over such interest ceases also. The share (capital) which an indivdiual has in social wealth must therefore become re-assimilated into the general social whole at the individual's death. The dead hand must not reach out to control the economic interests of posterity.

(5) The evolution of society reflects the evolution of the individual units constituting it, therefore individual evolution is a social responsibility. This evolution, constituting the mental, moral, ethical, and physical qualities of the individual, can best be articulated in the child, hence: over and above parental responsibility there is the responsibility of society for the development of these qualities.

It will thus be seen that every phase of our intellectual, moral, ethical, physical, and general social well being, is inextricably associated with the application of this one great fundamental social principle: the equality of the application of social service, social privileges, and social responsibilities.

NATIONALIZATION OF LABOR VALUES

The equitable solution of labor inequalities rests upon the nationalization of the relative labor values of the various classes of labor to each other.

This will involve the proper determination of (a) the economic; (b) the conditional, and (c) the individual factors connected with labor values.

Economic Labor Values:

This is the value that the services of the carpenter, the bricklayer, the school teacher, the machinist, the banker, the policeman, the miner, the soldier, the stevedore, and the thousand and one other classes of labor have to each other.

The determination of this factor will be comparatively easy, especially when the 1920 census has been taken. For when we know the value of things produced, the relative number of units engaged in the production, and the qualities of abilities of the relative classes, the economic relationship of the various classes to each other becomes automatically revealed. A

congress representative of all classes of labor could be depended on to work out its "economic salvation" in this matter, and in which practical considerations would be sure to govern. Such a labor congress would readily realize that an undue valuation bestowed upon any one class of labor must necessarily impose hardships on all of the other labor classes, and would therefore remove anomalies in the general interest.

Conditional Labor Values:

This value is influenced by social, climatic and economic conditions in a local sense, and has to do with influences over which the individual has no control. Example: The services of a school teacher in a sequestered Dakota hamlet under harsh climatic and uncongenial social conditions should have a higher labor value rating than the same quality and measure of services rendered under more propitious social and climatic conditions. Or: The conditional value of a carpenter or bricklayer in California, where out-door labor is practically possible throughout the year, is relatively less than an identical quality and measure of service rendered in New England, where the number of working days would be considerably less. This conditional labor value has to do with disparities in conditions under which a service is performed.

The determination of the conditional labor values being based upon regional conditions, in which geographical boundaries have no relation, this would be an associative responsibility between local and national interests.

Individual Labor Values:

This is the value obviously based upon the efficiency and capacity of the individual. To some extent this factor receives some consideration under existing economic relationships, though it is one of the anomalies of present-day trades unionism that this quality is ignored, thus placing a premium on mediocrity and penalizing efficiency.

A NEW UNIONISM

Under the "new unionism" all wage (profits) would be determined by the economic relative values of the various industries to each other, thus determining the relative labor values of the particular classes; in contradistinction of the present-day methods of each class striving for individual preferment irrespective of actual economic qualities. The absurdity of these individual class strivings becomes apparent upon slight reflection. If one class secures a higher rate of labor profits as a result of striking, and all other classes in the social economy remain quiescent, the striking class would certainly be better off for the time being; but when the striking of one class is followed by similar action on the part of the other classes, and with equal results, then by the time the last class has struck and obtained

it's objects the whole of the classes are back in the self-same position from where they started. This is something worse than a "vicious circle," it is a veritable mad-house gavotte.

Class labor strikes exemplify individuals fighting as a herd; the object of each being to obtain an advantage of the other. And as society is a community of many kinds of herds—labor classes—no economic equity can be derived by any one herd—class—securing advantage over any other herd. True economic equity is obtainable only through a rightful allocation of respective "herd values," and thus securing to the individuals of the respective herds a basis for economic equality.

The festive indulgence in periodical "trust busting" is also stupid, and is little more than instances of possibly well meaning people trying to "do something" because they have found that something is wrong. *As a matter of fact trusts are the precursors of true socialism.* The only trouble connected with the trusts is that the results of their splendid business efficiency are utilized by favored classes out of all proportion to equitable qualities. But to destroy all admirably equipped and ably managed big businesses simply because of lack of ability to control their operations in society's best interests is nothing else than instances of little minds trying to accomplish big things.

Lately we have also had the new term "profit sharing" brought before us, and if this meant what the term implied it would most certainly be a step towards a solution of the economics of labor values and labor equities. Unfortunately, however, even if the intentions were good it would be impossible to apply any such plan for remedying the general inequalities. For in order for any system of profit sharing to meet the demands of social economics it would have to embrace within its scope every phase of the disparities of the conditions pertaining to those economics, viz.: every class of labor, every condition in which labor functions, and every degree of ability and efficiency on the part of the individual units of labor. But the very widest application of the profit sharing plan could only affect those classes that need it the least; and as for the unskilled, the casual, the unclassified, and the general unorganized classes—in which latter some of our ablest but underpaid intellectuals labor—they would all be "without the pale." So-called profit sharing would therefore be a specific travesty applied to a general injustice.

Government ownership of utilities, or of anything else, would have no effect in remedying these economic evils either, except to endow an old condition with a new name. For that matter the government's own official organization reflects some of the grossest abuses of the equity of labor values; for political preferment only too commonly submerges even the very idea of these qualities. To transfer the operation of economic fallacies from private to government control would therefore conduce to no economic advantage, and could quite conceivably intensify the evil. And it would be well if some of our ardent socialists would appreciate the fact that the

evolution of official qualities involves the evolution of individual qualities, and the moral and intellectual qualities of our official life is purely a synthesis of the moral and intellectual qualities of our personal individual life. So to resort to government control for the solution of social inequities is simply the placing of a uniform on an individual and hoping thereby to transform his psychical complexion.

A thoughtful consideration of the principles of nationalizing labor values will show that it is the *via regia* to the stimulation of the highest qualities of individual effort, and thus conducing to individual evolution. The whole principle would have a tendency to place a premium upon individual incentive, but with a great difference in effect from what predatory individualism oftentimes result in under existing conditions. For the new form of individualism would consist of an effort to comport itself in accordance with economic and social justice. Illimitable attainments, therefore, would not be at the cost of others, but would be for the general good.

Under the new order of things every individual in the country would, in time, be classified—"unionized." The walking delegate, that *bete noire* of present-day executives, would disappear, and in his place would come a high type of government official who would be *persona grata* to everyone—except the shirker. Local class labor organizations would not bargain with the employing executive as to wage rates, either individually or collectively, for the relative economic value of the various classes of labor would receive their rating from powers which would decide them in relation to the national economic whole. The chief function of the local labor organization would become resolved largely into a card index system relating to local economics. It will therefore be seen that we have in the existing labor organizations the framework on which to create the new structure.

At first the nationalizing process could aim at applying to the chief industrial classes, the solution of which would be comparatively simple; then from these chief "key classes" to broaden the application with an orderly and logical progression. It must be appreciated that we cannot go to bed with a stone age social system and awaken in the morning to the full enjoyment of a millenium condition. There can be no "sudden death" to the old order or "sudden glory" of the new. The new must gradually become assimiliated into the old, without shock of impact, and very often in such a way that the new becomes endowed with the old name; but that does not matter. We need not trouble about names, but only with the conditions they indicate.

Eventually this nationalization of service values would affect every individual within the social commonwealth, from window cleaners to president. There would be no hostility towards becoming embraced within this principle, but rather a desire, for just as surely as service values become nationalized the whole of the product of service becomes labor's heritage; hence to become embraced within the one means eligibility to the other.

And the general principle is so basic, yet so flexible in application, that no matter whether professional man or hod-carrier the self-same considerations apply.

One result of this nationalization of labor values would be that the purchasing power of the individual would be stabilized, for the relation of wages and profits would always be in the direct ratio to the value of the services rendered. Therefore the cost of all commodities would always be relatively the same, today, tomorrow, next week, next month, next year—always. It would make no difference whether the wages of a class be $5.00 or $50.00 per day, for the only factor of interest would be the relative economic rating which the particular class would have to other classes. Neither would it make any difference whether a cabbage costs one cent or one dollar, or a pair of shoes five dollars or ten dollars, for the only active factor would be the relative value of the cabbage and the pair of shoes to other commodities. This would all become automatically adjusted. And it would not matter whether the dollar consists of 23.8 grains of gold of 28.3, or any other weight, or whether the weight became altogether an abstract idea, for money is only a physical substitute for accountancy purposes in any event.

Hours of labor would also be greatly reduced, for as all labor values would depend upon associative interests, governed solely by contributing economics and economical requirements, each class would have an exact share of service to perform to the general social requirement. If things are not required they would not be produced, whereas if a demand is great the conditions would be accordingly adjusted. The result would be that employment would be governed wholly by economic requirements.

One of the evil results of the existing organization of things is profitless employment, that is: employment which is not economically valuable to the social requirements. It is very probable that if each class of labor only worked for a sufficient number of hours daily to produce its class quota of requirement to the social whole, four hours daily would be ample to accomplish this. It would therefore follow that labor is at present only economically employed on an average of four hours daily. But the great trouble is that instead of the hours of economic efficiency being distributed over approximately three hundred working days per annum, or as one hundred and fifty annual eight hour days, the whole year is "muddled up" in securing what only amounts to about twelve hundred efficient labor hours.

Starting with the "key classes" of industry first, this anomalous labor hour factor becomes adjusted concomitantly with the labor element. The one is directly associated with the other. And from this point, as with the nationalization of the labor values, the organization of labor hours would become co-ordinated. And in putting into effect an equitable relationship of class labor values, labor will, for the first time in history, be arbitrating its own troubles, and solving the associated questions of labor hours and labor conditions.

The present organization of labor values and labor hours is unjust and wasteful, and except in the case of exceptional classes, deadens individual incentive instead of conducing thereto. It is a direct result of individualism misapplied and misdirected. Under the nationalization of labor values there would be brought to bear upon the production of social requirements the best of individual qualities, properly systematized, economically appreciated, and justly recompensed.

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